

# Facilities

**STARS Number & Budget Unit:** 170 EDPF

**Bill Number & Chapter:** H864 (Ch.423)

The Division of Facilities includes the Bond Levy Equalization program and State Lottery funds distributed for public school facility expenditures.

<b>DIVISION SUMMARY:</b>	<b>FY 2005 Total Appr</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Total Appr</b>	<b>FY 2007 Request</b>	<b>FY 2007 Gov Rec</b>	<b>FY 2007 Approp</b>
<b>BY FUND SOURCE</b>						
General	0	0	0	5,300,000	0	5,500,000
Dedicated	11,300,000	11,300,000	13,450,000	16,072,900	16,072,900	17,222,900
Total:	11,300,000	11,300,000	13,450,000	21,372,900	16,072,900	22,722,900
Percent Change:		0.0%	19.0%	58.9%	19.5%	68.9%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Lump Sum	11,300,000	11,300,000	13,450,000	21,372,900	16,072,900	22,722,900

<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>
<b>FY 2006 Original Appropriation</b>	<b>0.00</b>	<b>0</b>	<b>13,450,000</b>	<b>0</b>	<b>13,450,000</b>
Expenditure Adjustments	0.00	0	(822,900)	0	(822,900)
<b>FY 2006 Estimated Expenditures</b>	<b>0.00</b>	<b>0</b>	<b>12,627,100</b>	<b>0</b>	<b>12,627,100</b>
Removal of One-Time Expenditures	0.00	0	(2,200,000)	0	(2,200,000)
Base Adjustments	0.00	0	(3,704,600)	0	(3,704,600)
<b>FY 2007 Base</b>	<b>0.00</b>	<b>0</b>	<b>6,722,500</b>	<b>0</b>	<b>6,722,500</b>
Nondiscretionary Adjustments	0.00	1,000,000	5,300,000	0	6,300,000
<b>FY 2007 Maintenance (MCO)</b>	<b>0.00</b>	<b>1,000,000</b>	<b>12,022,500</b>	<b>0</b>	<b>13,022,500</b>
1. School Lottery Distribution	0.00	0	4,050,400	0	4,050,400
2. School Building Maintenance Match	0.00	4,500,000	1,150,000	0	5,650,000
<b>FY 2007 Total Appropriation</b>	<b>0.00</b>	<b>5,500,000</b>	<b>17,222,900</b>	<b>0</b>	<b>22,722,900</b>

% Change From FY 2006 Original Approp.

28.1%

68.9%

% Change From FY 2006 Total Approp.

APPROPRIATION HIGHLIGHTS: Nondiscretionary Adjustments provided funding for the projected FY 2007 costs of the Bond Levy Equalization program. There were two line items funded: 1.) provided for additional distributions of Lottery funds to schools; and 2.) provided the estimated amount of additional state matching funds, beyond those provided through Lottery distributions, required by the provisions of H743, for the maintenance and repair of school buildings. Section 3 amended Section 33-906A, Idaho Code, to provide a continuous appropriation for funds deposited in the Bond Levy Equalization Fund.

OTHER LEGISLATION: The School Facilities Improvement Act (H743) made a number of changes in how the construction and repair of school buildings are paid for in Idaho. For a more detailed description of these changes, please see pages 1-11 and 1-12.

<b>FY 2007 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
G 0001-00 General	0.00	0	0	0	0	5,500,000	5,500,000
D 0315-03 School District Bldg	0.00	0	0	0	0	14,650,000	14,650,000
OT D 0315-03 School District Bldg	0.00	0	0	0	0	2,572,900	2,572,900
Totals:	0.00	0	0	0	0	22,722,900	22,722,900

# HB 743 – School Facilities Improvement Act

## Bond Levy Equalization (Additional Fiscal Impact \$0.5 million ongoing)

- ? Remove the limitation on paying for interest only
- ? Retains minimum subsidy (10% of interest) for all but the six wealthiest school districts
- ? Provide funding stream out of Cigarette Tax proceeds not needed for Capitol Restoration bond

## Building Maintenance Requirement (Add'l Fiscal Impact \$7.5 million ongoing (\$4.5 General))

- ? Require school districts to deposit at least 2.0% of the replacement value of their school buildings in a deferred maintenance fund each year
- ? State would provide a portion of the funding required for the 2.0%, mostly from school Lottery funds, through a sliding scale match based on the district's Bond Levy Equalization value index
- ? Range of state matches would be from approximately 0.1% for Blaine County to 1.0% for Mullan
- ? The state match for the average district would be 0.5%
- ? The Division of Building Safety and state Department of Education are to collaborate to develop a best practices plan for school maintenance
- ? School districts are to develop and submit 10-year facilities maintenance plans, based on the best practices plan

## Public School Facilities Cooperative Funding Program (\$25 million one-time)

- ? Deposit one-time General Fund surplus monies in a new Public School Facilities Cooperative Fund
- ? Any school district that has failed in their attempt to pass a bond to repair, renovate or replace existing unsafe facilities can apply to a state panel to have the project approved
- ? The state panel would consist of the following individuals, or their designees:
  - 1.) Administrator of the Division of Building Safety
  - 2.) Administrator of the Division of Public Works
  - 3.) Executive Director of the State Board of Education
- ? The state panel would review the application and either approve, modify, or reject it, based on the most economical solution to the problem, as analyzed within a 20-year timeframe
- ? Approval of the application (or a modified version of it) would require that local voters be given one last chance to pass a bond for the project, in the form approved by the panel
- ? If the bond fails, the State Board of Education appoints a District Supervisor, who would be charged with ensuring the completion of the project, and vested with the authority granted to such office by the provisions of Section 6-2212, Idaho Code
- ? The Division of Building Safety could also initiate action if the school district was failing to address unsafe facilities identified through the state's school building inspection process, by bringing the case before the state panel
- ? The cost of the project would be paid up-front by the state
- ? The state would recoup its costs by imposing a plant facility levy on the school district, with the levy limited to the greater of the difference between the district's combined bond and plant facility levy rates, and the statewide average, or the statewide average plant facility levy rate
- ? The levy could run for up to 20 years
- ? The district would not have to pay for the state share costs, as determined by the Bond Levy Equalization value index
- ? The local share cannot be characterized as a debt obligation, because the levy is recalculated each year, the amount "owed" is not a factor in the calculation (unless the amount calculated exceeds the remaining "balance"), and the state would not necessarily recoup all of its unsubsidized costs

# School Facilities Cooperative Funding Program

